



**Submission to the Department of
Social Services on the New Disability
Employment Services from 2018
Discussion Paper**

The Bridge Inc.

A provider of quality

Disability Employment Services

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Introduction

Thank you for the opportunity to provide a submission to the Department of Social Services (DSS) in response to the DSS Discussion Paper on the New Disability Employment Services to be introduced in 2018. While it is acknowledged that other major industry peak bodies will provide sector wide submissions to DSS, such as *NESA* and *NDS*, The Bridge Inc. wishes to respond to particular aspects of the Discussion Paper.

Under the current name of The Bridge Employment, our organisation has delivered open employment services for people with disability for over 25 years and has a strong track record in providing high quality services to people in a wide range of circumstances. The Bridge shares the broad goals of government to redress the low rate of economic participation for Australian's with a disability which compared to many other OECD countries, is poor. It has been and remains the practice of The Bridge Employment to deliver high levels of participant choice and control, good job-matching, quality individually tailored assistance, as well as longer-term employment outcomes for people with disabilities. These quality features are not well recognised in the current DES performance system and funding arrangements, hence we are pleased to learn they are now being seriously considered in this reform process.

Changing the way DES providers are funded to support better outcomes

The current DES funding and weighting arrangements are not supported by The Bridge as they do not provide the right balance, incentives or satisfactory linking of provider performance to funding or the Star Ratings. The Bridge welcomes the plan for greater recognition of longer term outcomes, such as 52 weeks full employment put forward by the government, along with a payment at 52 weeks to the provider. While The Bridge supports the proposed new payment at 52 weeks suggests it should be less than the payment at 26 weeks as experience shows those in employment at 52 weeks are not always easily accessed as they are independent individuals in the workforce, which can make monitoring hard to achieve in all cases.

The Bridge also strongly advocates for an adjustment to the performance weighting in the Star Ratings, for 52 weeks employment, such as 20-30%. Currently the weighting in the Star Rating system is just 10% for 52 weeks which under recognises this longer term employment milestone and outcome. An increased weighting in the Star Rating at 52 weeks means there is a greater focus and contribution to a longer term outcome measure. Rewarding 52 weeks through both a payment and increased weighting in the Star Rating, creates a much stronger driver to improve employment outcomes, which is the purpose of this program reform.

Payments at 4 weeks to ensure the person is well equipped and supported to successfully commence employment is supported by The Bridge, as is a payment at 26 weeks. Provider payments at 13 weeks is not supported by The Bridge but instead, payment at 12 weeks is supported as it fits well with Centrelink payment scheduling and tracking employment activity, plus it would align with jobactive, a service that has 200,000 participants with a disability and which has a 12 week payment point. The government also notes in its Discussion Paper that there is considerable overlap between DES and jobactive through employment service providers that deliver both programs from the same site.

Greater flexibility regarding the type of work to constitute an outcome would be needed over an extended period, which would more appropriately match the changing labour market, employer needs and the needs of the participants with disabilities, particularly those with episodic conditions.

The Bridge believes widening the allowable types of work, and ensuring greater flexibility will increase employment participation for people with disabilities, as well as supporting a greater variety of employers to hire people with disabilities and create a more diverse and inclusive workforce.

Better targeting ongoing support

The Bridge agrees with the government that Ongoing Support should be better tailored to the needs of participants and funding should be assessed and linked to the needs of the individual, rather than based on set limits. Introducing fee for service is also supported, however The Bridge does not support an arrangement that specifies minimum contact and hours. More flexibility is required to meet individual need as a person may need a lot of support one week and very little another; for example they may have casual or seasonal work or have episodic needs. Being too prescriptive reduces the opportunity for staff to apply their professional judgement for the benefit of participants, and is contrary to the reform proposal to fund outcome changes.

The proposal to bring forward the first independent Ongoing Support Assessment (OSA) to occur at 26 weeks, is also supported by The Bridge. This change would help ensure that all participants entering Ongoing Support get the benefit of having an independent assessment and this may also reduce the need for subsequent assessments.

However in order for this to be effective, the role of the OSA would need to focus on the needs of the participant and the employer. From The Bridge's experience, the current OSA system becomes an assessment of the provider's systems rather than the requirements of the participant to maintain their role.

By having a fee for service set up, an OSA could recommend flexible support that could adjust to the variable needs of participants and the businesses that employ them.

The Bridge also believes that if there were to be individual funding allocated to the participant, those within ongoing support and their employers would be an example where this would be of benefit. In our experience the supports that are often required post 26 weeks are often more diverse and variable than those of individuals starting work. For example, after they have a structured routine, participants with an intellectual disability or autism often require assistance with other life skills to assist with maintaining work relationships with new co-workers, or further money skills to assist with budgeting.

Streamlining administration and improved job matching

The Bridge favours the government's proposal to merge the two DES program streams, DES-DMS and DES- ESS, so providers delivering DES do so under a single contract covering both.

Reward for better job matching, a practice long held by this organisation, is supported by The Bridge.

Stopping the job placement fee that was paid after 2 weeks, but only involved 10 business days, is favoured by The Bridge, as well as it being replaced by a 4 week outcome payment as discussed above. The 4 week and 52 week outcome payments will reward better job matching and drive improved practices to get the right person in the right job and keep them in it.

Less prescription for the Job Plan, as well as the mode flexibility of appointments will assist in tailoring support, fostering a collaborative approach between the participant and the provider. The Bridge believes that the Job Plan can support a participant to take steps towards economic participation however, this is often negated where mutual obligation is the focus.

The Bridge believe that the goal section within the Job Plan should be reinstated. From our experience where participants had a number of goals to assist them in finding work, it helped them stay focused step by step until employment was found.

Being able to provide greater flexibility within appointment servicing is a positive step. Participants with episodic disabilities or conditions that require treatments often have periods where physically attending an office is not in their best interests. Participant servicing needs to keep up with increasing technology allowing greater flexibility to stay connected and share information.

Each contact should be meaningful and support the participant to find and/or maintain employment, but it is a fallacy that this can only be achieved by a face to face meeting.

Adherence to and participation in the Disability Services quality standards would help ensure that providers are serving participants based upon their needs. The increase in participants being able to transfer and choose their provider would also act as a deterrent for providers to 'ignore' a participant by limiting support.

Risk-adjusted outcome fees

The Bridge supports the government's proposal to have a risk-adjusted funding model to ensure employment providers do not 'cream' or 'cherry pick' easy to place job seekers and receive 'easy money' for this while providers who focus on job seekers who are likely to require more support to gain employment are less rewarded for their efforts. At present the DES program has no method for tracking employment providers who refuse job seekers or who 'cherry pick'.

While the concept of a risk-adjusted funding model is supported, The Bridge urges the government to test the model before a full roll out of the model is considered. It is vital to test how the model variables are measured, weighted and interact. It is important to gather evidence from a trial to learn how the model impacts outcomes and identify any unintended consequences that can then be addressed to ensure the funding model rewards well performing providers, who focus on people that have been hard to find jobs for, and so better long term employment outcomes are achieved.

One option for trialling the risk-adjusted funding model would be to run a shadow system where half the caseload are on the current DES funding and performance arrangements and half on the new funding and adjusted weighted model.

In addition to the above funding adjustments, The Bridge suggests a 'time commencement' funding feature should be included in the weighting system to ensure job seekers are not 'parked' or left unattended for any reason. A penalty for non-compliance with a 'time commencement' benchmark would also be reflected in the Star Rating system. As the DES reform changes must remain within the existing funding envelope, the additional funding for achieving the 'time commencement' requirement can be offset by eliminating the bonus points that currently exist for training. The manner

in which the training bonus points are allocated is not well targeted nor necessarily effective, or a good use of resources.

The Bridge urge the Government to proceed with caution in changing the ratio of service fees and outcome fees. Many participants require intensive support before being placed into work. If too much of the funding is held at the outcome stage paid in arrears, we believe this will drive unwanted practices of providers preferring easier to place participants who they are likely to receive an outcome payment for.

Improving the transition from education to work

The Bridge delivers a post-school Transition to Work program, *Next Step*, and have also been granted funds by two major philanthropic organisations to conduct the *INteractive Work Experience* project, which is an early intervention, or investment approach, working within Special schools to raise the employment expectations of families of young people with disability, by supporting work experience opportunities and strengthening employment pathways for students.

Recently The Bridge Employment was also selected to deliver a new employment program, the Jobs Victoria Employment Network (JVEN), to place disadvantaged youth from CALD backgrounds into work, specifically in the highly disadvantaged region where we operate DES.

Based on our long term commitment to and experience with the transition from education to work, The Bridge supports the idea of expanding eligibility for DES to more students with a disability, but The Bridge does not support limiting the expansion and payments solely to young people who have finished year 12.

Expansion should include school leavers and students currently at school from Year 10, Year 11 and Year 12 who are interested in undertaking after school jobs and/or holiday work. This would provide more work experience and opportunity for students while it also creates an employment pathway for younger people before they seek employment as an adult, become unemployed or undertake training in an area where it may be difficult to find a job. The approach to be adopted should not be a blanket one but an approach that is adjusted and tailored to meet individual need.

Better Assessments

The Bridge supports the government's plan to review the reliability and validity of assessments as they are critical for ensuring that the right people are with the right employment service and at the right funding level.

Furthermore, the reliability and validity of work capacity assessments are vital as payments are linked to achieving employment outcomes that match the assessed work capacity of a person. If the work capacity is incorrectly assessed, then participants may end up with limited employment compared with their capacity or required to do work beyond their capacity.

Market share and Employment Service Areas (ESAs)

The Bridge is in favour of relaxing market share but not abolishing market share altogether. This is a complex change that calls for a considered planned transition approach to test Centrelink operations,

test market share options and avoid the risk of market failure. Additionally, there needs to be evidence that the funding model adjustments enhance service delivery.

The Bridge supports job seekers being able to change providers and there should be no inhibitors in relation to choice for participants.

In terms of ESA boundaries, The Bridge supports larger areas, which means changing from 110 to 51 ESAs based on local labour market regions. This change would align DES with jobactive, which implemented this change in 2015 in an effort to streamline administrative arrangements for providers.

However with the relaxation of market share and increase in participant's ability to choose a provider, it is questionable whether a change to regions is required, or would provide any added benefit.

The panel

The Bridge prefers a Provider Panel for each (expanded) ESA rather than the tendering process that currently exists. Prospective DES providers would apply to join the Panel by meeting a set of minimum criteria based on capability, capacity and risk, for example. Panel members would have regular opportunities to apply to deliver services in individual ESAs by providing additional information for each ESA where they are seeking to deliver services.

The Panel, according to the Discussion Paper, would be regularly refreshed with prospective providers to access the DES market more frequently than the current timeframe of every five years. One government option is to undertake a partial refresh of the Panel every 12 to 18 months, which would remove poorly performing providers, add new providers to the market, plus high-performing providers already on the Panel to expand.

The Bridge does not support a partial refresh every 12 months, given this would not give enough time to assess a providers performance against a higher weighted 52 week indicator.

Existing providers would be grandfathered from the refresh and maintain their position on the panel, and high-performing providers, for example those with a 3-star rating or higher, would be able to expand into new areas where they don't currently operate.

The above government proposal underlines the critical requirement in this reform process to ensure sound outcome based performance measures/weightings and payment structures are in place, and reliable and valid assessments occur. In the absence of these, Panels may have members who do not enhance service delivery.

Employer perspective

The Bridge supports having a 'level playing field' when it comes to subsidies paid to employers if the employer offers ongoing employment to a person, after a period of employment or internship. Employers are not concerned about which program an employee comes from, however, from the employers' perspective the funding arrangement needs to be the same if the employee has virtually the same profile and work capacity being sought by the employer. For example with jobactive a young person can undertake an internship and if the employer employs the youth following completion of

the internship, the employer is paid a \$10,000 subsidy. If the young person comes under DES, there is no employer subsidy.

New DES program and NDIS

While the Discussion Paper states that the NDIS is not in scope, The Bridge believes that the interface between DES and the NDIS is vitally important.

Page 18 of the Discussion Paper states that of the estimated 460,000 expected NDIS participants, around 24,000 of these are expected to be DES participants. This figure is based on 'current participation' in DES.

The Bridge contends that this figure is far too conservative, and is a reflection of the current restrictions and inhibitors, as well as flaws (especially in the gateway) of the current program that this reform is intended to overcome. It also reflects prevailing lower expectations of people with a disability to obtain and retain employment.

As a social insurance program, the NDIS is predicated on the objective of optimising the social and economic participation of people with a disability.

To lift the employment participation rate of people who will be participants in the scheme, the DES program should be the primary vehicle to achieve this outcome.

The DES program was originally instituted in the 1980's to assist people like many of those who will qualify for the NDIS. The Bridge has historically worked with this very same cohort of people and at its inception, successfully placed people, particularly those with an intellectual disability, that are now under-represented in the DES program.

Streamlining access so that NDIS participants can enter the DES program, as well as ensuring that they can be appropriately assisted to obtain and retain employment, should be a key consideration in the reform of the program.